



Agenda Item No. 2.a

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of December 15, 2006

From: Joseph M. Wire, Auditor-Controller  
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**  
**a. BUDGET INCREASE IN THE FY 06/07 OPERATING BUDGETS FOR**  
**THE BOARD-ADOPTED WAGE ADJUSTMENTS FOR**  
**REPRESENTED AND NON-REPRESENTED EMPLOYEES**

### **Recommendation**

The Finance-Auditing Committee recommends that the Board of Directors authorize a budget increase in the amount of \$1,510,000 to the District's FY 06/07 Operating Budget to accommodate recently approved labor agreements and changes to non-represented employees compensation and benefits.

This matter will be presented to the Board of Directors at its December 15, 2006, meeting for appropriate action.

### **Summary**

This agenda item is to adjust the FY 06/07 budget to reflect the November 17, 2006, Board-authorized execution of Memoranda of Understandings with employee labor groups and changes to non-represented employees compensation and benefits as a result of labor negotiations. The Board approved a 4% wage increase effective November 6, 2006, the first day of the pay period in which this Board action was taken; and, approved modifications to medical benefit plans and other related actions, including a 2.5% at age 55 pension to be fully funded by employees once all steps necessary to implement such a benefit level have been successfully concluded.

### **Fiscal Impact**

The Board adopted an operating budget on June 9, 2006, in the amount of \$147,578,900. The requested adjustment to increase the FY 06/07 budget by \$1,510,000 will result in an adjusted operating budget of \$149,088,900. The division budgets will be adjusted accordingly to reflect all negotiated labor increases.